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FOREIGN SERVICE DESPATCH

FROM AMERICAN EMBASSY, TAIPEI

TO THE DEPARTMENT OF STATE, WASHINGTON

REF Embassy Despatch No. 495, March 17, 1953.

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SUBJECT: Discussion of CHIANG Ching-kuo and the Resignation of Governor K. C. WU with Foreign Minister George YEH.

Following the departure of Governor Stevenson Sunday morning, March 22, 1953, Ambassador RANKIN and Counselor JONES were invited by Foreign Minister YEH to stop in at his house for a cup of coffee to discuss further the problem of the removal of the Chinese troops from Burma. The latter developments are being reported to the Department separately, but during the course of the conversation, two other subjects of interest were touched on -- the position of CHIANG Ching-kuo in the Chinese political scene and the probable future of Governor K. C. WU.

Chiang Ching-kuo's position as head of the Political Department of the Ministry of National Defense had been greatly exaggerated in importance by most foreigners, the Foreign Minister said. The Political Department was not the sinister instrument of political control over the army that it had been painted, but instead performed essential educational and recreational functions not different from those performed in the American army by various agencies. He confirmed in effect what was reported in Embassy Despatch No. 95, August 28, 1952. He mentioned that Roy HOWARD had been very much interested in this phase of Chiang Ching-kuo's activity and after going into the matter thoroughly, Mr. Howard emerged with the conviction that what was being done was necessary and desirable.

Ching-kuo's most important activity at the present time was not in the Political Department but acting as his father's eyes and ears in supervising the police agencies of the Government, Yeh said. One of the least understood aspects of this matter is that it in no way represented a gradual and deliberate accumulation of power by Ching-kuo but rather an assignment given by his father to an elder son in whom he has confidence. When the history of Free China is considered, it should not be difficult for anyone to understand why the Generalissimo would feel it essential to exercise direct control over the police agencies, particularly the secret agencies, of the Government, and that he must find someone in whom he can place complete trust and confidence to exercise supervision for him. Ching-kuo, Yeh emphasized, should not be regarded as a source of power -- what power he possesses derives as a direct, almost personal, delegation from his father. His comment on this point was especially interesting in that it confirmed

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the view of General CHANG Ch'un, reported in Embassy Despatch No. 495 of March 17, 1953, that Chiang Ching-kuo did not function at the policy level but rather as an implementer or executor of policies determined by others and that he acted almost entirely in his father's name, using his father's chop.

Asked regarding the increasing hold that Chiang Ching-kuo was obviously obtaining on the party machinery of the KMT, the Foreign Minister smiled and said that this too should not be regarded as Chiang Ching-kuo moving in on his own. The Generalissimo, he said, utilized the party as his instrument to bring pressure on the government to carry out his wishes. In this political activity, Chiang Ching-kuo was again acting as his father's agent in endeavoring to control the party machinery and to unify the party so that it would speak with one voice. In so doing, furthermore, he had not achieved the stature in Chinese eyes to enable him to exercise this power in his own behalf, even if he desired to do so.

On the subject of Governor WU's resignation, the Foreign Minister said that K. C. Wu and he had had a long talk the day prior to the former's departure for Sun Moon Lake. The Governor said he was "through", and would not retract the resignation he had submitted. (Embassy telegram 947, March 10, 1953, reported similar statement). Later, Yeh said, he had talked with the Governor's wife, who had said determinedly, "This time K. C. means it. He will not change his mind."

However, Yeh said, he was confident that the President would not let K. C. Wu go. "There is no use talking about a replacement for K. C. Wu", he said, "He cannot be replaced." He intimated, however, that should Wu be adamant on the subject of returning to the governorship, it was just possible the Generalissimo might use him somewhere else in the government after two or three months' vacation. Yeh added that although he himself would like to see Wu return to the governorship, it must be recognized that appointment of someone else as governor would remove one of the most serious sources of conflict within the present government. Governor Wu has run the provincial government as a separate government, much as it might be run if the national government of China were back on the mainland. Inevitably, there is bound to be conflict in a situation where a national government and a state government are both functioning with respect to the same territory, unless the state or provincial government is subordinated to the national government. With a strong character like K. C. Wu in the position of governor, this was impossible to do. The situation had of course led to bitter conflict between the premier and the governor, which could not be resolved so long as K.C. Wu remained in office. Such conflict also naturally resulted in more expensive government, since there resulted to some extent an unavoidable duplication of function and personnel. Should a successor to K. C. Wu be appointed, he averred

the provincial government unquestionably would be subordinated to a much greater degree to the national government.

Turning to the question of the Premier for a moment, he said that he was a man of unusual integrity and sincerity who had a strong personal following, particularly in the Army. There would be no thought of a change in the premiership except for the fact that CHEN Cheng's health was so poor. As it was, he probably would be forced to resign some time within the year. The problem of a successor was not easy to solve. From the standpoint of capacity and ability, K. C. Wu would be ideal but even if proposed by the President, he could probably not muster a sufficient number of votes in the Legislative Yuan to get the job. By a majority of members of the legislature, K. C. Wu was regarded as one of the most westernized Chinese and there would be considerable opposition to him.

The most logical candidate was former premier CHANG Ch'un (as previously reported several times from different sources by the Embassy), who was also a man of great integrity and sincerity and highly regarded by almost all factions and groups within the KMT. However, he had previously been considered as the head of the so-called "Political Science Group" and as such had been consistently opposed by the "C-C Clique". The Political Science Group was never an organized faction or clique, Yeh said, and still was not; nevertheless, there would be opposition to his selection by members of the C-C Clique (which, he said, was still strong) and others who opposed the so-called liberal wing of the party. It was doubtful whether Chang Ch'un could be elected.

Asked whether the Generalissimo could not dictate the appointment of a premier of his own selection through his control of the party machinery, Yeh responded, "Not at all. That is one of the President's great complaints. He is head of a majority party which is dominant in the legislative body but he not only has not been able to control the party's decisions -- the party itself cannot control the voting in the Legislative Yuan."

K. L. Rankin